Which Fit Do Consumers Use in Composite Brand Extensions?

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This study examines the role of different types of ‘fit’ in consumers’ evaluations of Composite Brand Extensions (CBEs). Building on accessibility-diagnosticity theory, we report the results of an experiment that distinguished between product fit (between the parent brands and the CBE) and brand fit (between the parent brands), as well as the interactions between these types of fit. We find that the accessibility and diagnosticity of brand fit makes it a central construct in explaining the CBE evaluation process, both in terms of its main effect and as a driver of the interaction between product fit with both parent brands.

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EXTENDED ABSTRACT

Theoretical Background

Composite Brand Extensions (CBEs) are a symmetrical co-branding arrangement where contributions of both parent brands are fully integrated (Uggla, 2004), such as SonyEricsson mobile phones and FujitsuSiemens computers. Several studies acknowledge that perceived similarity or “fit” is a core success factor for brand extensions (Aaker & Keller, 1990; Broniarczyk & Alba, 1994; Park, Milberg, & Lawson, 1991). In the Composite Brand Extension context, the role of fit may be markedly more complex. Consumers are not only confronted with an additional source of “product fit” (that between each of the parent brands and the extension product), but may also assess the fit between the two brands involved in the alliance (“brand fit”). Although several authors have suggested that different bases of fit play a role in a brand alliance context (e.g. Baumgarth, 2000; Simonin & Ruth, 1998; Uggla, 2004), little is known about the cognitive processes underlying the simultaneous evaluation of multiple fit cues.

The use of these cues is constrained by the principle of cognitive economy (e.g. Costley & Brucks, 1992; Garbarino & Edell, 1997; Park & Hastak, 1994), under which consumers are expected to exert as little cognitive effort as is necessary to accomplish a judgment task (Wyer & Srull, 1986). Therefore, they select cues that are most easily retrieved from memory, and most likely to carry the information required for the judgment task (Feldman & Lynch, 1988). Based on the accessibility-diagnosticity framework, we propose a hierarchy of fit types in which the most accessible and diagnostic types of fit are given priority.

Hypotheses

Brand associations can be classified by their level of abstraction (Alba & Hutchinson, 1987; Keller, 1993). We conceptualize product fit as the association overlap between the current product categories of the parent brands and the extension product (Aaker & Keller, 1990). Brand fit on the other hand relates to the congruence between the parent brand concepts (Simonin & Ruth, 1998), such as “functional” or “prestigious” (Park et al., 1991). Cognitively, brand fit is at a higher level of abstraction than product fit. Consequently, it is both more accessible (Lynch Jr., Marmorstein, & Weigold, 1988) and more diagnostic (Menon & Raghurib, 2003) than product fit, as it provides richer, more generalizable information. We postulate that brand fit will have a stronger impact on CBE evaluations than product fit (Hypothesis 1).

Since we posit that the role of any given fit type in the evaluation process depends on its relative levels of accessibility and diagnosticity in comparison to other types of fit (Feldman & Lynch, 1988), we develop hypotheses for a three-way interaction between brand fit, product fit with parent brand A, and product fit with parent brand B. Brand fit and product fit provide complementary information, where brand fit explains the rationale behind the brands’ collaboration (Simonin & Ruth, 1998), and product fit explains why they jointly market the extension product. In line with the cognitive economy principle, we hypothesize that product fit with either parent brand will be sufficient for consumers to perceive the logic behind the alliance. The second product fit is then less diagnostic. Thus, when brand fit is present, the effect of a product fit will be more pronounced when the other product fit is low than when it is high (Hypothesis 2a).

In the absence of brand fit information, consumers are expected to rely more extensively on product fit information. The second product fit thus becomes more diagnostic, leading to a hypothesis that is the reverse of hypothesis 2a: when brand fit is absent, the effect of a product fit will be more pronounced when the other product fit is high than when it is low (Hypothesis 2b).

Method and Findings

The research design involved a 2*2*2 between-subjects factorial design, the factors being product fit A (high vs. low), product fit B (high vs. low) and brand fit (high vs. low). In line with previous research on brand alliances (e.g. Park, Jun, & Shocker, 1996; Simonin & Ruth, 1998), the stimuli consisted of existing brands and hypothetical (Composite) Brand Extensions. We conducted a series of pretests to develop and test the stimuli brands and products. In line with the research design, eight different scenarios were developed to represent the different combinations of the three fit types. Each scenario was evaluated by 30 respondents, with an effective sample size of 240. All hypotheses were analyzed by means of ANCOVA.

Our analyses support the hypotheses and reveal that brand fit occupies a central position in the evaluation process of Composite Brand Extensions. Although its main effect is more than twice as large as the effect of either product fit, brand fit is not a sufficient condition for favorable CBE evaluations. When the parent brands’ images match, product fit with either parent brand generates positive CBE evaluations. When brand fit is absent, the second product fit becomes more important. It can attenuate the negative consequences of lacking brand fit, yet it cannot fully compensate for them.

Our results generate further insight into consumer evaluation processes of brand alliances. They illustrate that consumers take multiple sources of perceived fit into account when evaluating Composite Brand Extensions. The respective role of these fit cues in the evaluation process appears to be determined by their relative levels of accessibility and diagnosticity. The central position of brand fit in this context illustrates the differences between the evaluations of simple and composite brand extensions, and emphasizes the importance of selecting an alliance partner with a congruent brand concept. Furthermore, our findings indicate that brands may gain access to unrelated markets by means of an alliance, provided they team up with a partner that has a brand concept that fits.

References


